

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE
AUTHORITY, HELD ON THE 1ST DAY OF FEBRUARY 2010, 7:00 P.M., COUNTY
ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT
CENTER, CHRISTIANSBURG, VIRGINIA:**

| | | |
|-----------------|-----------------|-----------------------|
| PRESENT: | Gary Creed | -Chair |
| | James Politis | -Vice Chair |
| | Mary Biggs | -Secretary-Treasurer |
| | Annette Perkins | -Member |
| | John Muffo | -Member |
| | William Brown | -Member |
| | Doug Marrs | -Member |
| | Robert C. Fronk | -PSA Director |
| | Linda Pendleton | -Secretary to Board |
| | Craig Meadows | -County Administrator |
| | Marty McMahon | -County Attorney |

CALL TO ORDER

Chair Creed called the meeting to order and determined that a quorum was present.

OATH OF OFFICE

Erica Williams, Clerk, Circuit Court, administered the Oath of Office to Annette Perkins, Gary Creed, and James Politis.

ELECTION OF OFFICERS

At this time the Chair was turned over to the PSA Director for the election of Chair.

**R10-02-1
RESOLUTION APPROVING
ELECTION OF CHAIR**

On a motion by William Brown, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that Gary D. Creed be and hereby is, elected Chair of the Montgomery County Public Service Authority until term expiration date of February 17, 2011, or until the election of his successor.

The vote on the foregoing motion is as follows:

| | | |
|-----------------|-----|--------|
| AYE | NAY | ABSENT |
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

The chair was turned over to Mr. Creed to conduct the remainder of the PSA meeting.

**R10-02-2
RESOLUTION APPROVING
ELECTION OF VICE CHAIR**

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that James D. Politis be and hereby is, elected Vice Chair of the Montgomery County Public Service Authority until term expiration date of February 17, 2011, or until the election of his successor.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

**R10-02-3
RESOLUTION APPROVING
ELECTION OF SECRETARY-TREASURER**

On a motion by Doug Marrs, seconded by William Brown, and carried; IT WAS RESOLVED, that Mary W. Biggs be and hereby is, elected Secretary-Treasurer of the Montgomery County Public Service Authority until term expiration date of February 17, 2011, or until the election of her successor.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

**PUBLIC HEARING ON PROPOSED SCHEDULE FIXING AND CLASSIFYING RATES, FEES,
AND CHARGES FOR WATER AND SEWER SERVICE – INFLOW & INFILTRATION SEWER
SURCHARGE FEE**

At this time a public hearing was conducted for the following proposed new fee:

| | |
|---|---|
| Inflow & Infiltration Sewer Surcharge Fee | -Proposed new Fee of 50% Surcharge Added to Monthly Customer Sewer Charge for Failing to Correct Inflow & Infiltration After Notification by the Authority |
|---|---|

There were no comments on the proposed new fee; therefore, the public hearing was closed.

PUBLIC ADDRESS SESSION

There were no comments from the public.

CONSENT AGENDA

On a motion by James Politis, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated February 1, 2010.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

APPROVAL OF MINUTES DATED JANUARY 4, 2010

On a motion by James Politis, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated January 4, 2010.

APPROVE PROPOSED RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICE – INFLOW & INFILTRATION SURCHARGE FEE

R10-02-4 RESOLUITON APPROVING PROPOSED RATES, FEES, AND CHARGES FOR WATER AND SEWER SERVICE INFLOW & INFILTRATION SURCHARGE FEE

On a motion by James Politis, seconded by Doug Marrs, and carried; IT WAS RESOLVED, that the Public Service Authority advertised a public hearing notice for rate adjustments in the *New River Current* section of the *Roanoke Times* on Friday, November 13 and Friday, November 20, 2009; and

WHEREAS, the Authority held a public hearing on February 1, 2010 to receive citizen comments on the adoption of the proposed rate adjustments for all Authority owned water and sewer customers.

NOW, THEREFORE BE IT RESOLVED, that in accordance with the Code of Virginia, Chapter 51, Virginia Water and Waste Authorities Act, Section 15.2-5136, Rates and Charges; the Public Service Authority hereby approves and adopts the following adjustment, to become effective February 2, 2010:

Inflow & Infiltration Sewer Surcharge Fee

-New Fee of 50% Surcharge Added to Monthly Customer Sewer Charge for Failing to Correct Inflow & Infiltration After Notification by the Authority

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

APPROVAL OF POLICY RELATING TO INFLOW & INFILTRATION SURCHARGE FEE

R10-02-5 RESOLUTION APPROVING POLICY RELATING TO INFLOW & INFILTRATION SURCHARGE FEE

On a motion by Doug Marrs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the following policy relating to the Inflow & Infiltration Surcharge Fee; and, that said policy will be included in the Public Service Authority Rules & Regulations for Water/Sewer Service:

Section E

1 – Water/Sewer Service Fees:

(x) An Inflow & Infiltration Surcharge Fee shall be charged to any sewer customer when the Authority has determined by visual inspection, temporary sewer metering devices or other means, that the customer is discharging excessive groundwater or rainwater (I & I) into the Authority sewer. Excessive I & I is defined as intermittent or continuous flow which is twice or more than the average daily sewer flow per billing records and verified from the customer's sewer lines. The Inflow & Infiltration Surcharge Fee shall be a 50% surcharge applied to the customer's monthly sewer bill.

Before assessing the Inflow and Infiltration Surcharge Fee, the Authority shall notify the customer in writing that the Authority has identified excessive I & I infiltrating the customer's sewer lines and discharging into the Authority sewer without being accounted for in the billing. The Notice shall advise that the customer has 45 days from date of the letter to correct the excessive I & I discharge by reducing the I & I below the excessive limits defined above or to install an acceptable sewer flow meter suitable for sewer billing.

If the customer fails to make the corrections required to reduce the excessive I & I or provide an acceptable installed sewer flow meter within the 45 day period, the Inflow & Infiltration Surcharge Fee shall be applied to the customer's monthly sewer bill until corrections are made or a sewer meter is installed.

All proposed corrections or installed sewer flow meters shall be submitted to the Authority for approval prior to implementation. The corrections or sewer meter installations shall be inspected and approved by the Authority prior to removal of the Inflow & Infiltration Surcharge Fee.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

FINANCIAL REPORT

The financial report for period ending January 31, 2010 was presented for review and discussion.

DIRECTOR'S REPORT

The Director's Report included the following items:

1. Monthly Activities Report
The January 2010 report was presented for review.
2. Second Quarter Fiscal Year 2010 Cash Balance Graph
A graph of total water and sewer accounts cash balances for all workdays from July 1, 2009 to December 31, 2009 was presented for review and discussion.
3. Second Quarter Fiscal Year 2010 Water Purchase to Sales Comparisons
A graph of the water purchase to sales comparison for the period from July 1, 2009 to December 31, 2009 was presented for review and discussion.
4. Second Quarter Fiscal Year 2010 Sewer Purchase to Sales Comparisons
A graph of the sewer purchase to sales comparisons for the period from July 1, 2009 to December 31, 2009 was presented for review and discussion.
5. Financial Report for Fiscal Year Ended June 30, 2009
The financial report was presented for review and discussion.
6. Prices Fork Water System Switchover to Backup Water Supply
The PSA continues to use the backup water supply from the Town of Blacksburg for the Prices Fork Water System. On December 23, 2009, the PSA switched over to the backup water supply from the Town of Blacksburg as the RAAP was unable to overcome their water system leaks while maintaining adequate supply to the PSA.
7. Christiansburg Water and Sewer Agreements
All original water and sewer agreements between the Town of Christiansburg, Montgomery County and PSA expired in January or February 2008. The agreements were extended with the expiration date of January 16, 2011 in order to resolve the Joinder Study with the Blacksburg-Christiansburg-VPI Water Authority.
Preliminary discussions were initiated between the Christiansburg Assistant Town Manger and PSA Director to outline new agreement conditions that would be used as a starting point for further negotiations.

8. Warm Hearth Sewer Pump Station Replacement Project
The contractor has been declared in default as he has filed Chapter 7 bankruptcy. Upon thorough review of the project status, including discussions with subcontractors and bonding company, it was decided to complete the project using PSA personnel and remaining project funds.
9. Extreme Weather Conditions & Restoration Work
The Director informed the Board that due to weather conditions over the past several months, staff has not be able to complete restoration work on several projects that were on-going before the rain and snow season. As soon as weather permits, restoration and cleanup will be completed.
10. Water Customer Billing
The Director informed the Board that a customer had been under billed by a factor of 10 for several years due to misreading of the meter. The Director inspected the meter in question to make sure that this was the case. The problem was corrected in the billing system, and the customer is being billed correctly. A considerable amount of revenue was lost due to this error. It was the consensus of the Board to go from this day forward with correct billing and not pursue the past under billing.

AUTHORITY MEMBERS' REPORT

- | | |
|--------------|---|
| Member Brown | -Thanked the Director for going in the field and inspecting the meter in question for the billing error. |
| Member Marrs | -Thanked the Director for looking at things and putting them in place in order to make the PSA more professional. |

INTO CLOSED MEETING

(In at 7:50 p.m.)

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Closed Meeting for discussion of the following:

- | | |
|------------------|---|
| Section 2.2-3711 | <ol style="list-style-type: none"> (1) Discussion, Consideration, or Interviews of Prospective Candidates for Employment; Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body <ol style="list-style-type: none"> 1. Personnel (7) Consultation with Legal Counsel and Briefings by Staff Members or Consultants Pertaining to Actual or Probable Litigation, Where Such Consultation or Briefing in Open Meeting Would Adversely Affect the Negotiating or Litigating Posture of the Public Body; and Consultation with Legal Counsel Employed or Retained by a Public Body Regarding Specific Legal Matters Requiring the Provision of Legal Advice by Such Counsel <ol style="list-style-type: none"> 1. Sewer Agreement – Town of Christiansburg |
|------------------|---|

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

OUT OF CLOSED MEETING (Out at 8:15 p.m.)

On a motion by Annette Perkins, seconded by Doug Marrs, and carried; IT WAS RESOLVED, that the Public Service Authority ends their Closed Meeting to return to Regular Session.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

CERTIFICATION OF CLOSED MEETING

On a motion by James Politis, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Public Service Authority does hereby agree, that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the meeting to which this certification resolution applies; and (ii) only public business matters as were identified in the motion conveying the Closed Meeting were heard, discussed or considered by the Authority.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|--------|
| John Muffo | | |
| James Politis | | |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

ADJOURNMENT

There being no further business, the Chair adjourned the meeting to the next meeting scheduled for March 1, 2010.